

**COMMONWEALTH OF KENTUCKY
DEPARTMENT OF INSURANCE
CALCULATION OF LOSS COST MULTIPLIER**

COMPANY NAME _____ NAIC CO.# _____ DATE _____
GROUP NAME _____ GROUP # _____

1. LINE, SUBLINE, COVERAGE, TERRITORY, CLASS, ETC. COMBINATION TO WHICH THIS LOSS COST MULTIPLIER IS APPLICABLE? _____
2. LOSS COST MODIFICATION:
 - A. THE INSURER HEREBY FILES TO ADOPT THE PROSPECTIVE LOSS COSTS OF...
ORGANIZATION _____ REFERENCE FILING # _____
(check one)
() WITHOUT MODIFICATION. (2B. = 1.000)
() WITH THE FOLLOWING MODIFICATION(S). CITE THE NATURE AND PERCENTAGE MODIFICATION INCLUDING THE UNDERLYING RATIONALE FOR MODIFICATION.

 - B. LOSS COST **MODIFICATION** EXPRESSED AS A FACTOR: > _____
3. LOSS ADJUSTMENT EXPENSE EXPRESSED AS A FACTOR OF LOSSES > _____
(Please refer to the explanatory notes on the reverse side of this form to determine the appropriate factor.)

NOTE: IF EXPENSE CONSTANTS ARE USED, COMPLETE & ATTACH "EXPENSE CONSTANT SUPPLEMENT" (LC-2). DO NOT COMPLETE ITEMS 4 - 7 BELOW.

4. DEVELOPMENT OF EXPECTED LOSS RATIO (ELR).
 - A. TOTAL PRODUCTION EXPENSE > _____ %
 - B. GENERAL EXPENSE > _____ %
 - C. TAXES, LICENSES & FEES > _____ %
(Note: Do not include any assessments collected that are not your company's actual expense. For example, the workers compensation Special Fund and the Kentucky Municipal Premium Tax are excluded from this line.)
 - D. UNDERWRITING PROFIT & CONTINGENCIES > _____ %
 - E. TOTAL _____ %
- 5A. EXPECTED LOSS RATIO: $ELR = 100\% - 4E.$ _____ %
- 5B. EXPECTED LOSS RATIO EXPRESSED AS A FACTOR: _____
6. COMPANY FORMULA LOSS COST MULTIPLIER: $[2B. \times 3. / 5B.]$ _____
7. COMPANY SELECTED LOSS COST **MULTIPLIER**: > _____
8. CHECK ONE OF THE FOLLOWING:
☐ The insurer hereby files to have its loss cost multipliers and, if utilized, expense constants be applicable to future revisions of the advisory organization's prospective loss costs for this line of insurance. The insurer's rates will be the combination of the advisory organization's prospective loss costs and the insurer's loss cost multipliers and, if utilized, expense constants included in the attachments. The rates will apply to policies written on or after the **effective date** of the advisory organization's prospective loss costs. This authorization is effective until disapproved by the Commissioner, or amended or withdrawn by the insurer subject to Kentucky Revised Statutes Chapter 304, Subtitle 13.
☐ The insurer hereby files to have its loss cost multipliers and, if utilized, expense constants be applicable only to the above advisory organization Reference Filing.